MINUTES OF MEETING

BOARD OF DIRECTORS

REGULAR MEETING

THE WOODLANDS TOWNSHIP

SEPTEMBER 23, 2009

THE STATE OF TEXAS

COUNTIES OF HARRIS & MONTGOMERY

The Board of Directors of The Woodlands Township, met in regular session, open to the public, on September 23, 2009, posted to begin at 9:00 a.m. The meeting was held in the Meeting Room at the Township's Office, 10001 Woodloch Forest Dr., Suite 600, The Woodlands, Texas, within the boundaries of the Township. The roll was called of the duly elected and appointed members of the Board of Directors, to wit:

Nelda Luce Blair Chairman

Lloyd W. Matthews Vice-Chairman Bruce Tough Vice-Chairman

Vicki D. Richmond Treasurer/Assistant Secretary

Alex Sutton III Secretary
Thomas Campbell Director
Kemba DeGroot Director
Peggy S. Hausman Director
Claude Hunter Director
Robert C. Kinnear Director
Edmund W. Robb III Director

with all of said persons being present, excluding Director DeGroot, thus constituting a quorum. Also present for conducting business and assisting Board members were Don

Norrell, Nick Wolda, Anjanette Sauers, Mike Page, Renee Williford, Taunya Jacques, and

Kristin Freeman.

Chairman Blair then called the meeting to order at 9:00 a.m. She announced that

a quorum was present and that sufficient notice of this meeting had been duly posted

as required by law. Chairman Blair then requested a motion to adopt the agenda.

Director Hunter moved to adopt the agenda. The motion was seconded by Director

Kinnear and passed unanimously.

Next, Chairman Blair recognized public officials attending the meeting. There

were no public officials recognized.

Chairman Blair then called on names from the Public Comment Roster. The

following individuals addressed the Board:

• Everett Ison-VFW

Gary Louie-YMCA

Cindy Haynes-Community

Lutrincy Clough-Resident concern

A copy of the Public Comment Roster is attached hereto as Exhibit "A".

The Board was then asked to consider and act upon approval of the minutes of

the July 29, 2009 special meeting, August 5, 2009 special meeting, August 12, 2009

special meeting, August 18, 2009 Public Hearing, August 19, 2009 special meeting, and

the August 26, 2009 regular meeting of the Board of Directors for The Woodlands

Township. Director Campbell moved to approve the minutes. The motion was

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seconded by Director Hunter and passed unanimously. Copies of the above listed minutes are attached hereto as Exhibits "B-G", respectively.

Chairman Blair next asked the Board to receive and act upon the Financial Report as of and for the eight months ended August 31, 2009. The Chair called on Anjanette Sauers, Financial Services Manager for The Woodlands Township, to present this item. Ms. Sauers referred the Board to the Financial Statements in their meeting books. Following Ms. Sauers' presentation, Chairman Blair called for a motion and second to accept the financial report. Vice-Chairman Matthews moved to accept the Financial Report as presented. The motion was seconded by Treasurer Richmond and passed unanimously. A copy of the Financial Report as of and for the eight months ended August 31, 2009 is attached hereto as Exhibit "H".

Next, Chairman Blair asked Board members to receive and consider a report from the Community Associations of The Woodlands. Chief Alan Benson, Co-Interim General Manager of The Woodlands Community Associations, was called on to present this item. Packets of information containing a written summary of the Community Associations' Board agenda matters, Monthly Report for August 2009, and The Woodlands Community Policing Report for August 2009 were distributed to Board members. Additionally, a report on Media Coverage for the dates August 21-September 20, 2009 was presented. The Community Associations' reports are attached hereto collectively as Exhibit "I". No action was necessary on this item.

Chairman Blair then asked the Board to receive a report from the South County Woodlands Economic Development Partnership. The Chair called on Gil Staley, Chief Executive Officer for the South County Woodlands Economic Development Partnership, to present item. Mr. Staley provided the Board with a handout and then reviewed the following topics:

- Organizational Accomplishments
- Business Recruitment
- Business Retention

Following Mr. Staley's presentation, Chairman Blair asked if there were any questions from the Board. As there were no questions, the Chair thanked Mr. Staley for his report. No action was needed on this item. A copy of Mr. Staley's report is attached hereto as Exhibit "J".

Next, the Board was asked to consider and act upon a recommendation from the Investment Committee regarding renewal of a \$3 million Certificate of Deposit (CD) at Encore Bank. Chairman Blair called on Anjanette Sauers to present this item. Ms. Sauers provided general information on the bid process. Additionally, Ms. Sauers informed the Board of the Investment Committee's recommendation. Director Hunter then moved to approve the Investment Committee's recommendation to renew a 12 month Certificate of Deposit of approximately \$3 million with Encore Bank. The motion was seconded by Director Kinnear. Discussion followed and then a vote was taken. The motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "K".

Chairman Blair then asked the Board to consider a recommendation from the Investment Committee to establish a public funds investment pool account with the Texas Short Term Asset Reserve Program (TexSTAR), designate authorized representatives, and adopt a resolution in connection therewith. Anjanette Sauers was called on to present this item. Ms. Sauers provided background information and general comments on this item. Following Ms. Sauers' presentation, Treasurer Richmond moved to establish a public funds investment pool account with the Texas Short Term Asset Reserve Program (TexSTAR), designate authorized representatives, and adopt a resolution in connection therewith. The motion was seconded by Secretary Sutton. Chairman Blair then called for discussion. Following discussion, a vote was taken and the motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "L".

Board members were next asked to consider and act upon authorizing the President for The Woodlands Township to execute such estoppels certificates, assurances and consents to assignment of the Transition Agreement, The Woodlands Fire Department Funding Agreement, The Woodlands Economic Development Zone Funding Agreement with The Woodlands Township and related agreements as may be necessary and appropriate to support the renewal and extension of existing loans and lines of credit between Amegy Bank, The Woodlands Association and The Woodlands Fire Department. Chairman Blair called on Don Norrell, President for The Woodlands

Township, to present this item. Mr. Norrell provided background information on this item to the Board and then asked Mike Page, legal counsel for The Woodlands Township, to give additional details on the matter. As Mr. Page explained, Amegy Bank is seeking assurances from the Township that everything is in compliance as the Township will assume debt service obligation from the above referenced entities. Following Mr. Page's comments, the Chair called for a motion and second. Director Hunter moved to authorize the President of The Woodlands Township to execute such estoppels certificates, assurances and consents to assignment of the Transition Agreement, The Woodland Fire Department Funding Agreement, The Woodlands Economic Development Zone Funding Agreement with The Woodlands Township and related agreements as may be necessary and appropriate to support the renewal and extension of loans and lines of credit between Amegy Bank, The Woodlands Association, and The Woodlands Fire Department. The motion was seconded by Secretary Sutton. Discussion followed and then a vote was taken. The motion passed with Directors Blair, Campbell, Hunter, Kinnear, Matthews, Richmond, Robb, Sutton, and Tough voting "yes" and Director Hausman voting "no". A copy of the Executive Summary is attached hereto as Exhibit "M".

Chairman Blair then asked Board members to consider and act upon a report from The Woodlands Fire Department Board of Directors regarding the construction of the Indian Springs Fire Station. Don Norrell made initial comments and then called on

Chief Alan Benson to discuss the timing of the proposed schedule for the construction of future fire stations in Creekside and Indian Springs. Board members were provided a handout of the future Fire Stations' Schedule. Following Chief Benson's report, Director Hausman asked why the construction of the Creekside Station is scheduled before the construction of the Indian Springs Fire Station. Chief Benson explained some of the reasons behind the decision. The Chair next called for a motion and second on the item. Director Hunter moved to direct staff to proceed with the planning for the Indian Springs Fire Station as included in the proposed recommendation. Vice-Chairman Matthews seconded the motion. Following further discussion, the Chair called for a vote. The motion passed with Directors Blair, Campbell, Hunter, Kinnear, Matthews, Richmond, Robb, Sutton, and Tough voting "yes". Director Hausman voted "no". A copy of the Executive Summary is attached hereto as Exhibit "N" and a copy of the handout is attached hereto as Exhibit "O".

Next, the Chair asked Board members to consider and act upon authorizing the disposition of salvaged and surplus personal property to include computers, servers, and peripheral equipment by the President in accordance with Resolution No. 010-99. Chairman Blair called on Anjanette Sauers to present this item. Ms. Sauers referred the Board to the Executive Summary in their meeting book. Ms. Sauers reviewed the information and then referred the Board to a handout list of surplus property to be disposed. Following Ms. Sauers' presentation, Director Kinnear moved to authorize the

disposition of salvaged and surplus personal property to include computers, servers, and peripheral equipment by the President in accordance with Resolution No. 010-99. Treasurer Richmond seconded the motion. Discussion followed and Vice-Chairman Tough commented that he would like to see a review of policies in the future. Chairman Blair then called for a vote and the motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "P" and a copy of the handout is attached hereto as Exhibit "Q".

Board members were next asked to consider and act upon a request from the City of Houston to concur with selected projects to be funded under the Regional Participation Agreement between The Woodlands Township and the City of Houston. Chairman Blair presented this item and explained that the Township asked the City of Houston to reconsider other projects than the one previously submitted. This request was accepted by the City of Houston and an alternate project was submitted. Director Robb then moved to concur with the submitted project to partially fund construction of the Cambridge Bridge and Paving in the Texas Medical Center. The motion was seconded by Vice-Chairman Matthews. The Chair then called for discussion and subsequent vote on the motion. The motion passed unanimously. A copy of a letter from the City of Houston and an accompanying map are attached hereto as Exhibit "R".

Chairman Blair then asked the Board to consider and act upon acceptance of an electrical equipment and line easement for the Waterway Square pump equipment and

underground lines. Mike Page was called on to present this item. Mr. Page referred the Board to the Executive Summary and easement, in draft form, found in their meeting book. Following background information on this item, the Chair called for a motion and second. Director Kinnear moved to approve the electrical equipment and line easement of the Waterway Square pump equipment and underground lines, and authorize the President for the Township to execute the Fountain Equipment Room Easement. Director Hunter seconded the motion and it passed with Directors Blair, Campbell, Hausman, Hunter, Kinnear, Matthews, Richmond, Robb, and Tough voting "yes". Director Sutton abstained from voting. A copy of the Executive Summary is attached hereto as Exhibit "S". A draft copy of the easement is attached hereto as Exhibit "T".

Next, the Chairman asked Board members to receive Covenant Administration information regarding the Development Standard Committee, Development Review Committee and Commercial Standards Committee. Don Norrell was called on to present this item. Following Mr. Norrell's review of the Committees' structure, Brett Strong of The Strong Firm, P.C., was called on to provide additional information and answer questions. No action was required by the Board on this item. A copy of the Executive Summary is attached hereto as Exhibit "U".

Board members were then asked to consider and act upon approval of an amendment to the agreement with The Strong Firm, P.C. for Transition services related to the transfer and recording of real property and contract assignments. The Chairman

called on Don Norrell to present this item. After Mr. Norrell presented background information on the item, Mr. Strong was called on to give additional details on the project scope. Following the presentations, Director Kinnear moved to approve the amended agreement with The Strong Firm, P.C. in regard to the transfer of assets and contract assignments in the amount of \$66,000. The motion was seconded by Vice-Chairman Matthews. Chairman Blair then called for discussion. A vote followed and the motion passed unanimously. A copy of the Executive Summary is attached hereto as Exhibit "V". The revised proposal outlining the additional work effort is attached hereto as Exhibit "W".

Chairman Blair next asked the Board to discuss a request from Board members Hausman and Hunter to establish a date for a second monthly meeting. This request was deferred from the June meeting. Board members engaged in thoughtful discussion of this item. Some members were in favor of an additional meeting in the evening whereas other Board members were in favor of not changing the make-up of meetings until after the May 2010 election. No action was necessary on this item.

Chairman Blair then announced that there was no need for Executive Session and Administrative Reports were then given. Nick Wolda, Vice President of Marketing & Public Relations for The Woodlands Township, updated the Board on website information, upcoming events, and Convention & Visitors Bureau (CVB) activities. Operations & Public Safety did not give a report.

Board members were next asked to consider items to be placed on the agenda

for the next meeting. Director Kinnear requested that staff give a report on the new

proposed FEMA map. Director Hunter suggested that the Joint Powers Agency give this

report. Director Hausman requested the following information:

• Presentation on funding options for the upcoming water conversion to surface water matter and information on revenue bonds

• Discussion on Township, WCA, and TWA policies regarding sponsoring outside events such as Hometown Heroes, Chamber

functions, etc. and a list of these events

Information on why the trolleys do not go to the Pinecroft

Shopping Centers

Next, Chairman Blair asked for Board announcements. Director Hausman

announced that Hamburgers for Heroes will take place on June 12, 2010. As there were

no further announcements, the Chair called for a motion to adjourn. Director Kinnear

moved to adjourn the meeting. The motion was seconded by Secretary Sutton and

passed unanimously. The meeting was adjourned at 11:00 a.m.

Alex Sutton III

Secretary, Board of Directors

(SEAL)

EXHIBIT OMISSIONS*

EXHIBIT	"Δ"	EXHIBIT	"M"

EXHIBIT "B" EXHIBIT "N"

EXHIBIT "C" EXHIBIT "O"

EXHIBIT "D" EXHIBIT "P"

EXHIBIT "E" EXHIBIT "Q"

EXHIBIT "F" EXHIBIT "R"

EXHIBIT "G" EXHIBIT "S"

EXHIBIT "H" EXHIBIT "T"

EXHIBIT "I" EXHIBIT "U"

EXHIBIT "J" EXHIBIT "V"

EXHIBIT "K" EXHIBIT "W"

EXHIBIT "L"

^{*}To view Exhibits, please contact the Record Management Officer at 281-363-2447.